

# STATE OF WASHINGTON – COMPLIANCE CHECKLIST 33.00PA

## Motor Vehicle Service Contracts

(Providers other than motor vehicle manufacturers, import distributors or wholly owned subsidiaries)

Line of Business	Other Lines	Line(s) of Insurance		Code(s)
Code(s):	33.0	Motor Vehicle Service Contract		33.00PA
This compliance checklist applies <u>unless</u> the motor vehicle service contract provider is a motor vehicle manufacturer, import distributor, or wholly owned subsidiary.				
Service Contract Provider Name:				
Service Contract Provider CIC #:				
General Standards and Penalties				
Registration	<a href="#">RCW 48.110.030(1)</a>	A service contract provider must have a valid registration before the provider can file a service contract.	If a service contractor provider does not include a CIC Number on the Motor Vehicle Service Contract Transmittal Document, the Insurance Commissioner will return the service contract filing to the provider <b><u>without action</u></b> .	
Transmittal		Filers must use the Motor Vehicle Service Contract Transmittal Document MVSC-TRANS.	If a motor vehicle service contract is filed without MVSC-TRANS, it will be returned to the filer <b><u>without action</u></b> .	
SERFF		OIC will not accept motor vehicle service contracts service contracts filed through the NAIC SERFF filing system.	If a motor vehicle service contract is filed using SERFF, it will be returned to the filer <b><u>without action</u></b> .	
Prior Approval	<a href="#">RCW 48.110.073 (2)</a>	Before motor vehicle service contracts are marketed, sold, issued or delivered in this state or to residents of this state, they must be approved by the.	The Insurance Commissioner will disapprove motor vehicle service contracts that do not comply with Chapter 48.110 RCW. If non-compliance is substantive, the Insurance Commissioner will return the service contract filing the provider and <b><u>close the filing without action</u></b> .	
General Standards	<a href="#">RCW 48.110.073 (4)</a> <a href="#">RCW 48.110.130</a>	A service contract provider is subject to either disapproval or a cease and desist order if: <ul style="list-style-type: none"> <li>• It violates Chapter 48.110 RCW or any order or regulation issued by the commissioner under this chapter;</li> <li>• It contains or incorporates by reference any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions;</li> <li>• It has any title, heading, or other indication of its provisions that is misleading; or</li> <li>• A provider is using deceptive advertising to solicit business.</li> </ul>		
Penalties	<a href="#">RCW 48.110.140</a>	A violation of chapter 48.110 RCW is: <ul style="list-style-type: none"> <li>• An unfair or deceptive act or practice in the conduct of trade or commerce;</li> <li>• An unfair method of competition, as specifically contemplated by RCW 19.86.020; and</li> <li>• A violation of the consumer protection act (chapter 19.86 RCW).</li> </ul>		

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Motor Vehicle Service Contract Requirements				
Requirement	Reference	Description	Complies	Provision #
Arbitration	<a href="#">RCW 7.04A</a>	Washington's Arbitration Act requires binding arbitration (see <u>Godfrey vs. The Hartford Casualty Ins. Co.</u> 142 Wn. 2d 885, 16 P.3d 617).	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Arbitration	<a href="#">RCW 48.110.075 (3)</a>	If the contract allows for binding arbitration, the arbitration must be held at a location in close proximity to the contract holder's permanent residence.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Cancellation by Holder	<a href="#">RCW 48.110.075 (4)</a>	<p>The service contract holder may return a service contract if the holder has not made a claim under the contract. Returned service contracts are void from inception date and the contract provider must issue a refund to the contract holder as specified below:</p> <ul style="list-style-type: none"> <li>• If the holder returns the service contract in 9 days or less, the provider must refund the full purchase price of the contract.</li> <li>• If the holder returns the service contract in 10 - 30 days, the provider must refund the full purchase price, less a cancellation charge of up to \$25.</li> <li>• If the holder returns the service contract after 30 days, the provider must refund the purchase price on a pro rata basis and issue a pro rata refund based upon either elapsed time or mileage computed from the date the contract was purchased, less a cancellation charge of up to \$25.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Cancellation by Provider	<a href="#">RCW 48.110.075 (6)</a>	After the first 60 days, a service contract provider may not cancel the contract and is fully obligated under the terms of the contract.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Civil Actions	<a href="#">RCW 48.110.075 (3)</a>	The State of Washington is the jurisdiction of any civil action in connection with a motor vehicle service contract.	Yes <input type="checkbox"/> No <input type="checkbox"/>	

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Requirement	Reference	Description	Complies	Provision #
Claim Filing Procedures	<a href="#">RCW 48.110.075 (2)(f)</a>	<p>The service contract must state the procedure to obtain service or to file a claim, including but not limited to the:</p> <ul style="list-style-type: none"> <li>• Procedures for obtaining prior approval for repair work;</li> <li>• Toll-free telephone number if prior approval is necessary for service; and</li> <li>• Procedures for obtaining emergency repairs performed outside of normal business hours or for obtaining 24-hour telephone assistance.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Deductibles	<a href="#">RCW 48.110.075 (2)(g)</a>	The service contract must state the deductible (if any).	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Definitions	<a href="#">RCW 48.110.020</a>	<p>Motor vehicle service contracts must be consistent with these definitions:</p> <ul style="list-style-type: none"> <li>• Motor vehicle: <a href="#">RCW 48.110.020(11)</a></li> <li>• Provider fee: <a href="#">RCW 48.110.020(14)</a></li> <li>• Reimbursement insurance policy: <a href="#">RCW 48.110.020(15)</a></li> <li>• Service contract: <a href="#">RCW 48.110.020(16)</a></li> <li>• Service contract holder: <a href="#">RCW 48.110.020(17)</a></li> <li>• Service contract provider: <a href="#">RCW 48.110.020(18)</a></li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Disclosure	<a href="#">RCW 48.110.075 (2)(e)(i)</a>	<p>Each service contract must contain conspicuous statements that disclose any material conditions that the service contract holder must comply with to keep coverage including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Maintenance schedule to which the service contract holder must adhere;</li> <li>• Requirement placed on the service contract holder for documenting repair or maintenance work;</li> <li>• Duty to protect against any further damage, and</li> <li>• Procedure the service contract holder must follow to file a claim.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	

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Disclosure	<a href="#">RCW 48.110.075 (2)(e)(ii)</a>	Each service contract must contain conspicuous statements that disclose the work and parts covered by the contract.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Disclosure	<a href="#">RCW 48.110.075 (2)(e)(iii)</a>	Each service contract must contain conspicuous statements that disclose time or mileage limitations.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Disclosure	<a href="#">RCW 48.110.075 (2)(e)(iv)</a>	Each service contract must contain conspicuous statements that disclose the implied warranty of merchantability on the motor vehicle is not waived if: <ul style="list-style-type: none"> <li>The contract was purchased within ninety days of the purchase date of the motor vehicle, and</li> <li>The provider or service contract seller also sold the covered motor vehicle.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Disclosure	<a href="#">RCW 48.110.075 (2)(e)(v)</a>	Each service contract must contain conspicuous statements that disclose any coverage exclusions.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Disclosure	<a href="#">RCW 48.110.075 (2)(e)(vi)</a>	Each service contract must contain conspicuous statements that disclose the contract holder's right to return the contract for a refund under <a href="#">RCW 48.110.075(4)</a> .	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Pre-Existing Conditions	<a href="#">RCW 48.110.075 (2)(i)</a>	The service contract must state whether the service contract covers or excludes consequential damages or preexisting conditions.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Provider Penalty Late Fee Refund	<a href="#">RCW 48.110.075 (4)(c)</a>	If the service contract provider does not issue a refund within 30 days from the date the holder returns the service contract, the provider must add a 10% penalty to the refund.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Reimbursement Policy Guarantee	<a href="#">RCW 48.110.075 (2)(b)</a>	Each service contract must conspicuously state the: <ul style="list-style-type: none"> <li>Service contract provider's obligations to the service contract holder are guaranteed under the reimbursement insurance policy;</li> <li>Name and address of the issuer of the reimbursement insurance policy and applicable policy number; and</li> <li>Process for filing a claim under the reimbursement policy.</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	

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Service Contract Provider Name and Type of Product	<a href="#">RCW 48.110.080</a> <a href="#">RCW 48.110.075 (2)(c)</a>	<ul style="list-style-type: none"> <li>A service contract provider must conduct its business in its own legal name, unless the commissioner has approved the use of another name.</li> <li>Each service contract must conspicuously state the name and address of the service contract provider.</li> <li>Service contract providers must not use any words descriptive of the insurance, casualty, guaranty, or surety business in its name. If an existing name currently uses prohibited language in its name, its service contracts must conspicuously state: <b>"This agreement is not an insurance contract."</b></li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Service of Suit	<a href="#">RCW 48.110.030(3)</a>	The commissioner is the service contract provider's attorney to receive service of legal process in any action, suit, or proceeding in any court.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Transferability	<a href="#">RCW 48.110.075 (2)(h)</a>	The service contract must state any restrictions governing the transferability of the contract.	Yes <input type="checkbox"/> No <input type="checkbox"/>	